

Message Text

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ORIGIN EB-08

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TO AMEMBASSY TEL AVIV PRIORITY

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E.O. 1162: N/A

TAGS: EINV, IS

SUBJECT: MOBIL CLAIM AGAINST GOI

1. IN RECENT MEETINGS WITH HIGH-LEVEL DEPARTMENT OFFICIALS, MOBIL OFFICIALS HAVE DESCRIBED THEIR UNSUCCESSFUL EFFORTS TO MEET WITH GOI TODISCUSS CLAIM FOR COMPENSATION ARISING FROM ISRAELI REQUISITION AND OPERATION OF MOBIL SINAI CONCESSIONS FROM 1967 TO 197. CLAIM WAS FIRST ASSERTED IN 1973, AND MOBIL ESIMATES VALUE OF REQUISITIONED CRUDE AND EQUIPMENT LOSSES A DOLS 12.3 MILLION. MOBIL MET WITH ISRAELI OFFICIALS IN WASHINGTON IN NOVEMBER 1976 TO DISCUSS GOI ACTION ON CLAIM. ALTHOUGH COMPANY WAS ASSURED A RESPONSE WOULD BE PREPARED SOON, THERE HAS BEEN NO FURTHER ACTION BY GOI.

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2. MOBIL IS PARTICULARLY CONCERNED OVER LACK OF RESPONSE IN LIGHT OF THE FACT THATGOI HAS SETTLED WITH THE ITALIANSTATE OIL CO. (ENI) FOR A SIMILAR CLAIM BASED ON REQUISITIONING OF OIL CONCESSIONS IN SINAI AREA. IN LETTER OF JULY 7, 1977 TO GOI AMBASSADOR IN WASHINGTON, MOBIL MADE ABOVE POINTS AND REQUESTED AMBASSADOR'S ASSISTANCE IN EXPEDITING GOI ACTION ON THE CLAIM. MOBIL

FEARS THAT GOI MAY HAVE MADE DECISION NOT TO ACCEPT

VALIDITY OF ITS CLAIM, WHICH WILL MAKE IT DIFFICULT TO PURSUE CLAIM DIRECTLY. AS A RESULT, MOBIL HAS ASKED THAT DEPARTMENT RAISE ISSUE WITH ISRAELIS.

3. ACTION REQUESTED. EMBASSY IS REQUESTED TO SEEK APPOINTMENT AT APPROPRIATE LEVEL OF FOREIGN MINISTRY IN ORDER TO DETERMINE STATUS OF GOI CONSIDERATION OF CLAIM AND EXPRESS OUR HOPE THAT GOI AND MOBIL WILL BE ABLE TO REACH A MUTUALLY ACCEPTABLE SOLUTION. IN EXPRESSING OUR INTEREST IN THIS CASE, YOU MAY WISH TO DRAW ON THE FOLLOWING TALKING POINTS.

-- MOBIL OIL OFFICIALS HAVE DISCUSSED WITH THE DEPARTMENT THE LACK OF AN ISRAELI RESPONSE TO COMPANY'S CLAIM FOR COMPENSATION RESULTING FROM ISRAELI REQUISITION OF MOBIL SINAI CONCESSIONS DURING PERIOD FROM JUNE 1967 TO OCTOBER 1975.

-- ALTHOUGH DURING 1976 THE COMPANY RECEIVED INDICATIONS THAT A GOI RESPONSE WOULD BE FORTHCOMING IN THE NEAR FUTURE, THERE HAS BEEN NONE TO DATE. MOBIL WROTE TO AMBASSADOR DINITZ IN JULY TO REQUEST FURTHER ASSISTANCE IN EXPEDITING THE CLAIM, BUT THERE HAS BEEN NO RESPONSE.

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-- THE COMPANY IS DISTURBED OVER THIS LACK OF GOI

ACTION, PARTICULARLY IN LIGHT OF THE FACT THAT THE GOI

HAS RECOGNIZED THE CLAIM OF THE ITALIAN STATE OIL COMPANY (ENI) AND HAS PAID COMPENSATION FOR THIS CLAIM.

-- WE ARE HOPEFUL THAT MOBIL AND THE GOI WILL REACH A MUTUALLY ACCEPTABLE SETTLEMENT, AND THAT THE GOI WILL

TAKE STEPS TO RESPOND TO THE CLAIM AS SOON AS POSSIBLE. DEPARTMENT WAS RECENTLY TOLD BY MOBIL THAT IT UNDERSTANDS ENERGY ADVISER DINSTON IS AWARE OF THEIR CLAIM AND THAT GOI NOW HAS IT UNDER CONSIDERATION. VANCE

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